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**David Y. Ige**  
*Governor*

**George D. Szigeti**  
*President and Chief Executive Officer*

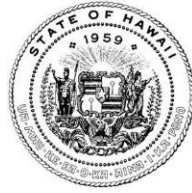
Statement of  
**George D. Szigeti**  
Chief Executive Officer  
Hawai'i Tourism Authority  
on  
**HB2012 HD2 SD1**  
**Relating to the Transient Accommodations Tax**  
Senate Committee on Ways and Means  
Wednesday, April 4, 2018  
10:30 a.m.  
Conference Room 211

Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members:

The Hawai'i Tourism Authority (HTA) offers the following **comments on** HB2012 HD2 SD1, which proposes to allocate additional funds from transient accommodations tax (TAT) revenues to HTA to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in designated tourist and resort areas of each county.

As the State agency tasked with strategically managing, marketing and developing Hawai'i's visitor industry, HTA agrees that it is important to address homelessness in the State. A substantial homeless population affects the tourism industry. Our residents, visitors, and homeless population deserve a coordinated effort on these issues. HTA supports the intent of the bill to fund and implement new initiatives to address homelessness that strengthen the community and maintain a positive visitor experience.

Mahalo for the opportunity to offer this testimony.



**EXECUTIVE CHAMBERS**  
HONOLULU

**DAVID Y. IGE**  
GOVERNOR

April 4, 2018

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 2012 HD2– RELATING TO THE TRANSIENT ACCOMODATIONS TAX**

Hearing: Wednesday, April 4, 2018, 10:30 A.M.  
Conference Room 211, State Capitol

**POSITION:** The Governor's Coordinator on Homelessness supports the intent of this measure, and offers comments.

**PURPOSE:** The purpose of the bill is to allocate an unspecified amount from transient accommodations tax revenues to the Hawaii Tourism Authority (HTA) to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association (HLTA), to address homelessness in tourist and resort areas, as designated by each county, provided that funds be used to provide social services. The bill also provides that no funds shall be released unless matched dollar-for-dollar by the private sector, and requires HTA to report to the Legislature in regard to the initiatives funded.

The Coordinator appreciates the recent amendment by the Senate Committees on Economic Development, Tourism, and Technology and Human Services to clarify that funds be used to provide social services, and that data from the initiatives must be entered into the Homeless Management Information System (HMIS). Due to the limited availability of public funds, it is critical that public dollars be directed to programs that have a strong evidence base demonstrating effectiveness in addressing homelessness.

Although the type of homeless services that could be funded is not specified in this measure, previous testimony on this measure has indicated that funds may support homeless

outreach services in tourist areas, as well as a homelessness repatriation program. With regard to homeless outreach, the Coordinator notes these services are currently funded through the Department of Human Services (DHS) and the Department of Health (DOH). In addition, the Governor's supplemental budget request includes \$1.75 million for homeless outreach services through DHS, and \$800,000 for outreach and counseling services for chronically homeless individuals and families with severe substance use disorders. Outreach services are critical in identifying and linking homeless individuals to appropriate housing-focused services in the continuum of care, as well as assisting homeless individuals to obtain government issued identification and other vital records.

With regard to a homelessness repatriation program, a recent investigative report of similar repatriation programs in 16 American cities by *The Guardian* found "an almost total lack of long-term follow-up" to determine if homeless individuals who were relocated remained stably housed at their final destination.<sup>1</sup> In addition, while the HLTA currently provides private grants to the Institute for Human Services, Family Life Center, and Kauai Economic Opportunity to administer repatriation programs in their respective counties, HLTA does not require these agencies to conduct follow up with clients assisted through the repatriation program.

As currently drafted, the measure is unclear on how the HTA and HLTA will direct funding to address homelessness initiatives and how they will determine which initiatives are funded. As mentioned in HLTA's testimony on previous versions of this measure, the HLTA currently funds homelessness initiatives in part through charity walks on Oahu, Hawaii Island, Kauai, and Maui. The HLTA currently administers a grant program for eligible 501(c)(3) non-profit organizations, and it is unclear whether this grant program is intended to guide decision making for homelessness initiatives, or if a separate process led by HTA should be used to direct funds. The Coordinator notes that homelessness is one of six interest areas that receive preference in funding through HLTA charity walk grants – the other preference areas are children/education, elderly, crime, veterans, and health. If this measure moves forward, the Coordinator respectfully requests the measure be amended to provide greater clarity regarding

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<sup>1</sup> Outside in America team. "Bussed out, How America moves its homeless." *The Guardian* 20 Dec. 2017.

how funding for homeless initiatives will be procured and contracted, including whether the intent is to support programs currently funded through the HLTA visitor industry charity walks.

Finally, the Coordinator notes that over the past three years, the State has adopted a comprehensive framework to address homelessness that focuses on three primary leverage points – affordable housing, health and human services, and public safety. Through this approach, the State has made progress in addressing homelessness and the 2017 statewide Point in Time (PIT) count found that the number of homeless people in Hawaii decreased for the first time in eight years – a decrease of 701 people between 2016 and 2017. The Coordinator further notes that the Governor’s supplemental budget request includes funding for critical programs that have contributed to this progress, such as Housing First, Rapid Rehousing, homeless outreach, and civil legal services. Accordingly, the Coordinator respectfully asks for the Legislature’s support of the Governor’s supplemental budget, and that funding from this measure does not supplant or replace items in the supplemental budget.

Thank you for the opportunity to testify on this bill.

# TAX FOUNDATION OF HAWAII

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126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, Earmark funds to address homelessness

BILL NUMBER: HB 2012, HD-2, SD-1

INTRODUCED BY: Senate Committees on Economic Development, Tourism, and Technology and Human Services

SYNOPSIS: Amends section 237D-6.5, Hawaii Revised Statutes, to provide that \$\_\_\_\_\_ per year shall be allocated to the Hawaii tourism authority to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas; provided that no funds shall be released unless matched dollar-for-dollar by the private sector. The funds are to be used for the provision of social services.

Requires Hawaii Tourism Authority to submit a report to the legislature at least twenty days prior to the convening of the regular session of 2019, which shall include: (1) the current status of any initiative implemented during the three-year period prior to the date of the report, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas, including the costs thereof, source of funding, and participating entities; and (2) the current status of any plans to implement future initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas, including the estimated costs thereof, potential sources of funding, other than legislative appropriations, and anticipated participating entities.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: As with any earmarking of revenues, the legislature will be preapproving each of the initiatives fed by the tax earmark, so expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether too little or too much revenue has been diverted from other priorities in the state budget.

If the legislature deems the programs and purposes funded by this special fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers would have to evaluate the real or actual needs of each program.

Digested 3/30/2018



April 2, 2018

Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair  
Senate Ways and Means Committee  
Hawaii State Legislature

Dear Senator Dela Cruz, Senator Keith-Agaran and Members of the Ways and Means Committee,

**Testimony in Support of HB2012 HD2 SD1**

The Kohala Coast Resort Association (KCRA) is in full support of HB2012 HD2 SD1, allocating funding from the transient accommodations taxes to the Hawaii Tourism Authority in partnership with the Hawaii Lodging Tourism Association to address homelessness in tourism and resort areas. We know there has been success with this initiative on Oahu, Maui and Kauai, and look forward to the program being implemented on Hawaii Island.

KCRA is a collection of master-planned resorts and hotels situated north of the airport which represents more than 3,500 hotel accommodations and an equal number of resort residential units. This is approximately 35 percent of the accommodations available on the Island of Hawai`i. KCRA member properties annually pay more than \$20 million in TAT and \$20 million in GET.

We encourage your support of this measure.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is written in a cursive, flowing style.

Stephanie Donoho  
Administrative Director



**HAWAI'I LODGING & TOURISM**  
**A S S O C I A T I O N**

Testimony of

Mufi Hannemann  
President & CEO  
Hawai'i Lodging & Tourism Association

Committee on Ways and Means  
April 4, 2018

House Bill 2012 HD2, SD1, Relating to the Transient Accommodations Tax

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee:

Mahalo for the opportunity to testify. On behalf of the nearly 700 members of the Hawai'i Lodging & Tourism Association, the state's largest private-sector visitor industry organization, we **strongly support** House Bill 2012 HD2 SD1 which allocates funds, from TAT revenues if it is matched by the private sector for homelessness solutions. Specifically, we strongly support that the bill requires that HTA working in conjunction with HLTA seek to implement initiatives to address homelessness in tourist and resort impacted areas throughout the state.

Homelessness is particularly acute in Waikiki but is prevalent throughout popular public parks, beaches and facilities used by residents and visitors alike in Hawai'i. It has a direct impact on the visitor experience, is a source of frustration for local residents, and poses a very difficult and often dangerous existence for the homeless.

The hospitality industry, through our association and member hotels and businesses, has donated well over \$2 million during the last four years to the Institute for Human Services (IHS) and other social service agencies on our largest islands, specifically for homelessness outreach and service. These funds have come from a collaborative effort put forth by the hospitality industry which include monies from our charity walks on Oahu, Hawai'i Island, Kaua'i, and Maui as well as funds raised from the Hilton Hawaiian Village's Hawai'i for Hawai'i Benefit Concert. Agencies and charitable non-profits that have had direct impact from these donations include Helping Hands Hawai'i, Honolulu Community Action Program, Waikiki Health, Catholic Charities Hawai'i, and Mental Health Kokua. Specifically speaking, we have developed a very productive partnership with the IHS, which helps the homeless in Waikiki, including outreach efforts, repatriation and van transportation so they can access vital services. As a result of our firm belief that homelessness is not just a Honolulu-centric challenge, we also gave grants to non-profits on each of the neighbor island counties. Last year we contributed \$10,000 to HOPE Services Hawai'i Inc. and \$15,000 to Hawai'i Rise Foundation to help fund homelessness programs on Hawai'i Island. In 2016 we awarded Kaua'i Economic Opportunity \$25,000, and Maui Family Life Center \$25,000 the year before to help make repatriating homeless back to their families or caregivers on the mainland an objective.



**HAWAI'I LODGING & TOURISM**  
**A S S O C I A T I O N**

But despite the best efforts of the hospitality industry and the tremendous fund-raising success of the Charity Walk, the needs of this growing population continue to outweigh the resources. And we believe it is only reasonable and fair for state government, through the TAT, to allocate funds for this tourism related purpose.

The members of the Hawai'i Lodging & Tourism Association will continue to fund-raise and donate money through our Visitor Industry Charity Walk and other endeavors to help the homeless population. We are hopeful that other businesses and organizations will also step forward and take advantage of the match that the state government will provide as a direct participant in what would be an emerging and important public-private partnership.

For these reasons we respectfully ask the committee to usher through HB 2012 HD2 SD1.

Mahalo.

Sincerely,

Mufi Hannemann  
President & CEO

Gregg Nelson  
Chairman of the Board

Glenn Vergara  
Chairperson Elect

Michael Jokovich  
Vice Chairperson

Bonnie Kiyabu  
Oahu Chapter Chairperson

Angela Nolan  
Maui Chapter Chairperson

Steve Yannarell  
Hawai'i Island Chapter Chairperson

Jim Braman  
Kaua'i Chapter Chairperson





**HAWAI'I LODGING & TOURISM**  
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**The following is a list of hotels represented by the Hawai'i Lodging & Tourism Association:**

- |                                 |  |
|---------------------------------|--|
| Aqua-Aston Hospitality, LLC     | Aston at the Executive Centre Hotel                |
| Castle Resorts & Hotels         | Aston at the Maui Banyan                           |
| Colony Capital, LLC             | Aston at the Waikiki Banyan                        |
| Halekulani Corporation          | Aston at The Whaler on Kaanapali Beach             |
| Hawaiian Hotels & Resorts, LLC  | Aston Islander on the Beach                        |
| Highgate Hotels                 | Aston Kaanapali Shores                             |
| Hilton Grand Vacations          | Aston Kona by the Sea                              |
| InterContinental Hotels Group   | Aston Mahana at Kaanapali                          |
| Ko Olina Resort                 | Aston Maui Hill                                    |
| Kyo-ya Company LLC              | Aston Maui Kaanapali Villas                        |
| Kyo-ya Management Company, Ltd. | Aston Shores at Waikoloa                           |
| Lucky Hotels U.S.A. Co., Ltd.   | Aston Waikiki Beach Hotel                          |
| Marriott International, Inc.    | Aston Waikiki Beach Tower                          |
| Outrigger Enterprises Group     | Aston Waikiki Beachside Hotel                      |
| Prince Resorts Hawaii, Inc.     | Aston Waikiki Circle Hotel                         |
| Pulama Lana`i                   | Aston Waikiki Sunset                               |
| Sasada International, LLC       | Aston Waikoloa Colony Villas                       |
| Aina Nalu Lahaina by Outrigger  | Aulani, a Disney Resort & Spa                      |
| Airport Honolulu Hotel          | Best Western Pioneer Inn                           |
| Ala Moana Hotel                 | Best Western The Plaza Hotel                       |
| Alohilani Resort Waikiki Beach  | Breakers Hotel                                     |
| Ambassador Hotel Waikiki        | Coconut Waikiki Hotel                              |
| Andaz Maui at Wailea Resort     | Courtyard by Marriott Kaua'i at Coconut Beach      |
| Aqua Aloha Surf Waikiki         | Courtyard by Marriott King Kamehameha's Kona Beach |
| Aqua Bamboo & Spa               | Courtyard by Marriott Waikiki Beach                |
| Aqua Kauai Beach Resort         | Courtyard Oahu North Shore                         |
| Aqua Oasis                      | Doubletree by Hilton Alana Waikiki Hotel           |
| Aqua Pacific Monarch            | Embassy Suites by Hilton Oahu Kapolei              |
| Aqua Palms Waikiki              | Embassy Suites Hotel - Waikiki Beach Walk          |
| Aqua Park Shore Waikiki         | Ewa Hotel Waikiki - A Lite Hotel                   |
| Aqua Skyline at Island Colony   | Fairmont Orchid Hawaii                             |
| Aqua White Sands Hotel          | Four Seasons Resort Lana`i                         |
| Aston at Papakea Resort         | Four Seasons Resort Maui                           |
| Aston at Poipu Kai              | Four Seasons Resort O'ahu at Ko Olina              |



**HAWAI'I LODGING & TOURISM**  
**A S S O C I A T I O N**

Grand Hyatt Kauai Resort & Spa	Marriott's Maui Ocean Club
Grand Nanioloa Hotel	Marriott's Waiohai Beach Club
Grand Wailea	Maui Beach Hotel
Hale Koa Hotel	Maui Coast Hotel
Halekulani	Maui Condo & Home, LLC
Hampton Inn & Suites, Kapolei	Maui Eldorado Kaanapali by Outrigger
Hapuna Beach Prince Hotel	Mauna Kea Resort
Hilton Garden Inn Kauai Wailua Bay	Mauna Lani Resort
Hilton Garden Inn Waikiki Beach	Mauna Loa Village IOA
Hilton Grand Vacations at Waikoloa Beach Resort	Moana Surfrider, A Westin Resort & Spa
Hilton Grand Vacations Club	Montage Kapalua Bay
Hilton Hawaiian Village Waikiki Beach Resort	Napili Kai Beach Resort
Hilton Waikiki Beach	OHANA Waikiki East by Outrigger
Hilton Waikoloa Village Resort & Spa	OHANA Waikiki Malia
Hokulani Waikiki by Hilton Grand Vacations Club	Ohia Waikiki Hotel
Holiday Inn Express Waikiki	Outrigger Kiahuna Plantation
Holiday Inn Waikiki Beachcomber Resort	Outrigger Napili Shores
Honua Kai Resort & Spa	Outrigger Palms at Wailea
Hotel Coral Reef Resort	Outrigger Reef Waikiki Beach Resort
Hotel Renew by Aston	Outrigger Regency on Beachwalk
Hotel Wailea Maui	Outrigger Royal Sea Cliff
Hyatt Centric Waikiki Beach	Outrigger Waikiki Beach Resort
Hyatt Place Waikiki Beach	Pacific Marina Inn
Hyatt Regency Maui Resort & Spa	Pagoda Hotel
Hyatt Regency Waikiki Beach Resort & Spa	Pearl Hotel Waikiki
Ilikai Hotel and Luxury Suites	Plantation Hale Suites
Ilima Hotel	Prince Waikiki
Ka`anapali Beach Club	Queen Kapiolani
Ka`anapali Beach Hotel	Raintree - Kona Reef Raintree Vacation Club
Kahana Falls	Ramada Plaza Waikiki
Kauai Marriott Resort & Beach Club	Royal Grove Hotel
Kiahuna Plantation Resort by Castle Resorts	Royal Kahana Maui by Outrigger
Ko`a Kea Hotel & Resort	Royal Kona Resort
Kona Coast Resort	Royal Lahaina Resort
Lawai Beach Resort	Sheraton Kauai Resort
Lotus Honolulu at Diamond Head	Sheraton Kona Resort & Spa at Keauhou Bay
Luana Waikiki Hotel and Suites	Sheraton Maui Resort and Spa
Marriott's Kauai Lagoons, Kalanipu'u	Sheraton Princess Kaiulani
Marriott's Ko Olina Beach Club	Sheraton Waikiki Resort



**HAWAI'I LODGING & TOURISM**  
**A S S O C I A T I O N**

Shoreline Hotel Waikiki  
St. Regis Princeville Resort  
Stay Hotel Waikiki  
The Cliffs at Princeville  
The Club at Kukui`ula  
The Fairmont Kea Lani, Maui  
The Imperial Hawaii Resort At Waikiki  
The Kahala Hotel & Resort  
The Laylow, Autograph Collection  
The MODERN Honolulu  
The New Otani Kaimana Beach Hotel  
The Point at Poipu, Diamond Resorts International  
The Ritz-Carlton Residences, Waikiki Beach  
The Ritz-Carlton, Kapalua  
The Royal Hawaiian, A Luxury Collection Resort  
The Surfjack Hotel & Swim Club  
The Westin Maui Resort & Spa  
The Westin Princeville Ocean Resort Villas  
Travaasa Hana  
Trump International Hotel Waikiki  
Turtle Bay Resort  
Vive Hotel Waikiki  
Waikiki Beach Marriott Resort & Spa  
Waikiki Grand Hotel  
Waikiki Parc Hotel  
Waikiki Resort Hotel  
Waikiki Sand Villa Hotel  
Waikiki Shore  
Waikoloa Beach Marriott Resort & Spa  
Wailea Beach Marriott Resort & Spa  
Waipouli Beach Resort & Spa by Outrigger  
Westin Ka'anapali Ocean Resort Villas  
Wyndham at Waikiki Beach Walk  
Wyndham Vacation Resorts Royal Garden at Waikiki



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

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**TESTIMONY FOR HOUSE BILL 2012, HOUSE DRAFT 2, SENATE DRAFT 1,  
RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**

**Senate Committee on Ways and Means  
Hon. Donovan M. Dela Cruz, Chair  
Hon. Gilbert S.C. Keith-Agaran, Vice Chair**

**Wednesday, April 4, 2018, 10:30 AM  
State Capitol, Conference Room 211**

Honorable Chair Dela Cruz and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in support of House Bill 2012, HD 2, SD 1, relating to the transient accommodations tax.

According to the 2017 statewide *Point In Time Count* (PITC) report, 7,220 houseless persons were counted on a single night in January last year, down 9 percent overall from 2016. Yet, O’ahu experienced a 0.4 percent *increase* from the previous year, with 4,959 people counted, up from 4,940 the year before. Hawai’i island saw the largest decrease in its homeless population, which fell 32 percent, or 441 people. Maui County had a 22 percent drop, or 249 people, while Kaua’i saw a 7 percent drop, or 30 fewer homeless people. Notably, the size of the houseless population on O’ahu is up more than 25 percent from 2009, when 3,638 homeless people were counted. Additionally, Department of Education officials have estimated that between 3,500-4,000 public school students experience homelessness at some point during the school year—last year’s PITC captured just over half of them—and over 91,000 students are economically disadvantaged. We know, then, that our state’s homeless population is consistently larger than the statistics show. It remains the highest per-capita homeless population in the country, according to the U.S. Department of Housing and Urban Development.

Over 30 percent of juvenile arrests in Hawai’i are for running away from home, the highest proportion in the nation. Nationally, one in seven young people between the ages of 10 and 18 will run away. Approximately 75 percent of runaways are female, while 46 percent of runaway and homeless youth report being physically abused, 38 percent report being emotionally abused, and 17 percent report being forced into unwanted sexual activity by a family or household member,

according to the National Conference of State Legislatures. Roughly 30 percent of runaway children will be approached for sexual exploitation within 48 hours of being on the run, with over 80 percent being approached for the commercial sex trade during the course of their time on streets. A federal study found that an estimated 38,600 runaway youth have been sexually assaulted, in the company of someone known to be sexually abusive, or engaged in sexual activity in exchange for money, food, or shelter. Runaways are perceived as easy targets for sex traffickers because they lack stable shelter, a supportive environment, and financial resources, placing them at greater risk of forced prostitution and sexual servitude.

Traffickers exploit our limited number of available shelter beds to lure young people into exploitation. As the homeless childcare provider Covenant House observes, traffickers tell homeless youth that shelters are full and ask, “Where are you going to go? Why don’t you come with me? I’ll take care of you.” Coupled with threats of and actual physical and sexual violence against the victims or their families, these coercive techniques compel runaway youth to remain enslaved. LGBTQ youth, who comprise an estimated 40 percent of the runaway and homeless youth population in the United States, are exponentially more likely to fall prey to human traffickers because of discrimination, family and community trauma, and a longing for comfort and acceptance (an estimated 26 percent of LGBTQ adolescents are rejected by their families and put out of their homes simply for being open and honest about who they are). In providing care for victims of human trafficking, IMUAlliance has heard their stories hundreds of times.

We must find innovative ways to fund homeless services, especially human services, health care, outreach, and rapid rehousing to our state’s unsheltered and at-risk population, many of whom are gainfully employed and contributing our economy. Moreover, we must find a balance between rampant real estate speculation and meeting the needs of our state’s most economically vulnerable residents. Just as our homeless population has soared over the past few years, so, too, has our state’s cost of housing. The median price of condominiums on O’ahu increased 6 percent in the summer of 2017 to a record \$425,000, while the median price for single-family homes increased by 3 percent to \$795,000, according to the Honolulu Board of Realtors, a number that they expect to increase by at least another 5 percent in 2018. Average fair market rent for two-bedroom apartments in *outlying* communities in the City and County of Honolulu now exceeds \$2,000, with the cost of a four-bedroom home in urban Honolulu now exceeding \$1.1 million. At least 46 percent of residences in Hawai’i are owner unoccupied, according to the National Low-Income Housing Coalition, meaning that nearly 50 percent—and by some estimates over half—of Hawai’i’s homes are likely investment properties. Many of those properties, in turn, are owned by mainland and foreign buyers, whose real estate market speculation is a prime driver of Hawai’i’s highest-in-the-nation cost of housing. According to a study released in May of 2016 by the Hawai’i Department of Business, Economic Development, and Tourism, there are “clear distinctions” between the average price of homes bought by local residents, mainlanders, and foreigners. Analyzing purchases made between 2008 and 2015, DBEDT found: “The average sale price was highest among foreign buyers. The average sale price of the total of 5,775 homes sold to foreign

buyers from 2008 to 2015 was \$786,186, 28.3 percent higher than the average sale price to the mainlanders (\$612,770) and 64.7 percent higher than the average sale price to local buyers (\$477,460).”

Researchers who authored the National Low Income Housing Coalition’s *Out of Reach 2017* report found that a full-time worker would need to earn \$35.20/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needed to log 116 hours per week at their jobs to afford a modest one-bedroom apartment at fair market value and 139 hours per week to afford a two-bedroom—a number that is equivalent to working 20 hours a day with no days off year-round. In the past three years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai’i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$15.64/hour, scarcely enough to meet their basic needs. One out of every four households in Hawai’i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai’i Appleseed Center for Law and Economic Justice. Additionally, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households. Put simply, homelessness is directly tied to our state’s exorbitant cost of living and penchant for catering to people who use the islands as their own private Monopoly board. We beseech you to seek innovative ways of making Hawai’i more affordable, while funding services that show aloha for our economically disadvantaged neighbors.

Finally, we applaud Waikiki’s hospitality industry, such as the Hawai’i Lodging and Tourism Association and the Hilton Hawaiian Village, for donating to organizations that help the homeless, including by providing more than \$2,000,000 to the Institute for Human Services, other O’ahu-based social service providers, and charitable organizations on Maui, Kaua’i, and Hawai’i island. We urge lawmakers to recognize these efforts and, in turn, use a portion of the transient accommodations tax—our tax on visitor rentals—to assist our tourism industry in finding shelter for economically disadvantaged members of the Waikiki community, some of whom already are or are at risk of becoming victims of human trafficking.

When you fund housing, outreach, and human services for the homeless, you are helping to end slavery in Hawai’i. Mahalo for the opportunity to testify in support of this bill.

Sincerely,  
Kris Coffield  
*Executive Director*  
IMUAlliance

**HB-2012-SD-1**

Submitted on: 4/2/2018 11:40:20 PM

Testimony for WAM on 4/4/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair and Members of the Committee on Ways and Means:

Good morning . My name is Melodie Aduja. I serve as Chair of the Oahu County Committee (“OCC”) on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB2012 HD2 SD1** relating to Transient Accommodations Tax; Hawaii Tourism Authority; Hawaii Lodging and Tourism Association; Homelessness; and a Report.

The OCC Legislative Priorities Committee is in support of **HB2012 HD2 SD1** and is in favor of its passage.

**HB2012 HD2 SD1** is in accord with the Platform of the Democratic Party of Hawai'i (“DPH”), 2016, as it allocates funds from transient accommodations tax revenues to the Hawaii Tourism Authority (HTA) to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas, as designated by each county; provided that the funds be used to provide social services; requires HTA to report to the Legislature; and requires the data collected from the initiatives to be entered into the Homeless Management Information System, effective 7/1/3000.

Specifically, the DPH Platform provides that “[h]ousing is a basic human need and we believe that adequate, accessible, affordable, and safe housing should be available to all residents of Hawai'i. Affordable housing that is fair in proportion to individual income is the basis of prosperity for our citizens and stability in our economy. Recent and past real estate bubbles have fueled disproportionate rent increases, a key contributor to homelessness. Therefore, we support efforts to promote truly affordable housing for all citizens who rent.

We believe in the concept of “Housing First” to develop affordable, stable housing and support services to break the cycle of homelessness for people with the fewest housing options.

We support dedicated social services and housing opportunities for Hawaii’s homeless population, to get them off the streets and reintegrated into society, with specific devoted services for disenfranchised groups including but not limited to the Hawaiian community, aged-out foster kids, youth, returning veterans, the aged, and lesbian, gay, bisexual and transgender homeless. (Platform of the DPH, P. 7, Lines 340-344, 352-358 (2016)).

Given that **HB2012 HD2 SD1** allocates funds from transient accommodations tax revenues to the Hawaii Tourism Authority (HTA) to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas, as designated by each county; provided that the funds be used to provide social services; requires HTA to report to the Legislature; and requires the data collected from the initiatives to be entered into the Homeless Management Information System, effective 7/1/3000, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

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